



1925

1950



CLEVELAND PUBLIC LIBRARY
BUSINESS INFORMATION BUREAU
CORPORATION FILE

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

25 Years of PROGRESS

V. J. ELMORE

5¢-10¢ & \$1.00 STORES, INC. · BIRMINGHAM, ALA.

Annual Report To Stockholders
JANUARY 31, 1951



V.J. ELMORE

5¢-10¢ & \$1⁰⁰ STORES, INC.

BIRMINGHAM, ALA.



ANNUAL REPORT TO THE STOCKHOLDERS..

1951

1925

History of Progress . .

1950

V. J. ELMORE, founder of the V. J. Elmore 5c, 10c & \$1.00 Stores, Inc., was born on an Alabama farm in 1887. He died in Birmingham, Alabama in 1942. Mr. Elmore at the time of his death was President and Treasurer of the Company. He was succeeded by his wife as President and she now occupies that position. Operations of the Company are conducted by an Executive Committee, which is composed of four Department Heads and a Chairman, the members all being officials of the Company.

The first of the V. J. Elmore 5c, 10c & \$1.00 Stores was opened in Clanton, Alabama in November 1925. This store produced sales of \$32,794 the succeeding year with a reasonable profit. An additional store was opened at Jasper, Alabama in 1927 and by the end of the year 1929 there were five stores in operation with a sales volume of \$149,669 realized the following year. These stores were operated profitably. As profits accumulated and management personnel could be trained, additional units were added until at the time of Mr. Elmore's death in 1942 there were forty-four stores in operation with approximately 1,800 full time and part time employees. Figures as to the growth and aggregate sales of these and



additional stores are set forth on a subsequent page of this report. The Company feeling that modernization is fully as important as expansion has continuously improved and modernized existing units.

In 1935 the business was incorporated under the present name with capital stock of \$125,000, which comprised the entire equity of Mr. Elmore.

The Company operated a warehouse at Clanton as a distributing point, but due to continued growth, it was decided to move the executive offices and warehouse to Birmingham. A site was purchased at 10 South 14th Street in Birmingham, and in 1941 a modern office and warehouse building was erected. It is at this location that the present headquarters and warehouse for the company is maintained.

Through the foresight of Mr. Elmore in providing for any eventuality and his selection and training of management personnel, the business has continued to operate profitably. A reasonable program of expansion in keeping with profits retained in the business has been maintained, and as of January 1951, the Company had grown to a total of fifty-nine stores. Locations have been secured for two additional units which will be opened in the near future.

There are now approximately 2,000 regular and part time employees. There has been provided an insurance pension plan, group insurance and other benefits for these employees, the expense of which is borne by the company.

The warehouse and office building in Birmingham has been enlarged to provide ample space for operation. A company owned fleet of trucks is operated and has facilitated delivery of merchandise to the various stores.

First Store—Clanton, 1925



To The Stockholders . .

March 20, 1951

TO THE STOCKHOLDERS:

The Statement of Condition of your Company at January 31, 1951, and a summary of earnings and expenses for the year ending January 31, 1951 are included in this report. These figures are presented in a manner which it is believed will be informative and easily understood by the shareholders.

A volume of sales in amount sufficient to reflect an increase over the preceding year has been maintained. Net profits are regarded as satisfactory. Dividends have been paid in amounts to permit a reasonable retention of funds for investment in additional stores, improvement of existing stores, and to provide a margin in case of any reverses.

This represents the seventeenth Annual Report to Stockholders. The year 1950, however, is one of particular significance as it represents the twenty-fifth anniversary of the company, the first store having been established by Mr. Elmore in Clanton, Alabama in 1925. The company was incorporated in 1933. There are now fifty-nine stores in operation and additional units are to be opened at Sheffield, Alabama and Corinth, Mississippi within the next four months.

I wish to thank the Directors and Officers for their counsel and the entire personnel for their attention and efforts resulting in another satisfactory year of operation.

With best wishes to each of you, this report is respectfully submitted,

Mrs. V. J. Elmore
President

ARLON
ATLANTA
BALTIMORE
BIRMINGHAM
BOSTON
BURLINGTON
CANTON
CHICAGO
CINCINNATI
CLEVELAND
COLUMBUS
DALLAS
DAYTON
DENVER
DETROIT
FORT
FORT WORTH
GRAND RAPIDS
HOLLYWOOD
INDIANAPOLIS
KANSAS CITY
LOS ANGELES
LOUISVILLE
MIAMI
MINNEAPOLIS
MINNEAPOLIS

ERNST & ERNST
ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

BIRMINGHAM
1314 FIRST NATIONAL BLDG
DELIVERY ZONE 3

NEW ORLEANS
NEW YORK
PHILADELPHIA
PITTSBURGH
PORTLAND, ORE.
PROVIDENCE
READING
RICHMOND
ROCKVILLE
ST. LOUIS
SAN ANTONIO
SAN FRANCISCO
SEATTLE
TOLEDO
WASHINGTON
WINSTON-SALEM
YOUNGSTOWN

TORONTO, CANADA
CORRESPONDENT AT
LONDON

CABLE ADDRESS
ERNSTAUDIT N.Y.

Board of Directors
V. J. Elmore 5c, 10c and \$1.00 Stores, Inc.
Birmingham, Alabama

We have examined the balance sheet of V. J. Elmore 5c, 10c, and \$1.00 Stores, Inc., as of January 31, 1951, and the related statements of profit and loss and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except that we did not have representatives present at the time physical inventories were taken at the fifty-nine retail stores operated by the Company.

Merchandise inventories on hand at the retail stores and at the warehouse are based upon physical counts which were made under supervision of the management from January 5, 1951, to January 31, 1951, and were adjusted for intervening transactions to January 31, 1951. The store inventories are priced at cost as determined by the retail inventory method, and the warehouse inventory is priced at the lower of cost or market as determined by the first-in, first-out method of inventory valuation. We were present at the warehouse at appropriate times during the taking of inventories, observed the procedures followed in determining quantities, and made test counts of items appearing in the inventories. We also reviewed the application of the retail inventory method and related computations, and tested the pricing, extensions, and the footings of the inventories.

In our opinion, subject to the limitation of the scope of our examination with respect to inventories as set forth in the first paragraph of this report, the accompanying balance sheet and statements of profit and loss and surplus present fairly the financial position of V. J. Elmore 5c, 10c and \$1.00 Stores, Inc., at January 31, 1951, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

March 7, 1951

Ernst & Ernst

ASSETS

CURRENT ASSETS

Cash:

Demand deposits	\$ 653,191.62	
Cash for deposit	5,329.15	
Office and store funds	15,237.71	\$ 673,758.48
Trade accounts receivable	\$ 12,793.93	
Less allowance for doubtful accounts	635.96	12,157.97
Merchandise inventories:		
At stores—at cost as determined by the retail inventory method	\$ 771,451.59	
In warehouse—at lower of cost (first-in, first-out basis) or market	388,567.73	
In transit—at cost	45,511.77	1,205,531.09
	TOTAL CURRENT ASSETS	\$1,891,447.54

INVESTMENTS AND OTHER ASSETS

United States Treasury Bonds of 1951-53 held in escrow—at cost and interest accrued	\$ 51,781.25	
Investment in other securities—at cost and interest accrued	4,180.16	
Cash surrender value of life insurance	4,308.00	
Advances to employees	1,397.11	
Miscellaneous accounts receivable	825.05	62,491.57

LAND, BUILDINGS, AND EQUIPMENT—at cost

Land	\$ 18,000.00	
Office and warehouse building and paving	\$162,215.10	
Fixtures and equipment	368,900.99	
Automobiles and trucks	44,949.41	
	\$576,065.50	
Less allowances for depreciation	203,607.29	372,458.21
Improvements to leaseholds	\$ 80,126.33	
Less allowance for amortization	29,613.10	50,513.23
Equipment and improvement installations in progress	7,572.60	448,544.04

DEFERRED CHARGES

Unexpired insurance premiums	\$ 70,406.38	
Warehouse inventory of store supplies	5,400.50	75,806.88
		\$2,478,290.03

BALANCE SHEET JANUARY 31, 1951 . . .

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued expenses:

Trade accounts	\$ 158,115.70	
Salaries and bonuses	58,534.64	
Payroll taxes and taxes withheld from employees	7,845.47	
Sales and retailers excise taxes	12,999.66	\$ 237,495.47
Federal and state taxes on income—estimated	\$ 365,000.00	
Less United States Treasury Notes—Tax Series "D"— at cost plus interest accrued	325,701.00	39,299.00
		\$ 276,794.47
TOTAL CURRENT LIABILITIES		

CAPITAL STOCK AND SURPLUS

Capital stock:

First preferred stock, par value \$100.00 a share (entitled to \$100.00 a share, plus accumulated dividends upon liquidation):

Authorized 4,000 shares, issued and outstanding:

837 shares of 7% cumulative	\$ 83,700.00	
1,996½ shares of 5% cumulative	199,650.00	\$ 283,350.00

Common stock, Class "B"—no par value, stated value \$16 2/3 a share, dividends of \$1.00 per annum cumulative, preferred over other common stock only as to dividends:

Authorized, issued and outstanding 6,000 shares

100,000.00

Common stock, Class "A"—no par value, stated value \$16 2/3 a share, 2,500 shares authorized, 185½ shares restricted for issue upon exercise of Class "A" Warrants (Note A); issued and outstanding 2,255¼ shares

37,587.50
\$ 420,937.50

Surplus:

Capital surplus		
Earned surplus	14,195.08	

1,766,362.98
\$2,478,290.03

See note to financial statements.

V. J. ELMORE STORES



V. J. E L

5¢-10¢ & \$1.00 S

Gadsden Store



Inside View—Opening Day
Gadsden

V. J. ELMORE 5¢-10¢ & \$1.00 STORES, INC.



North Birmingham

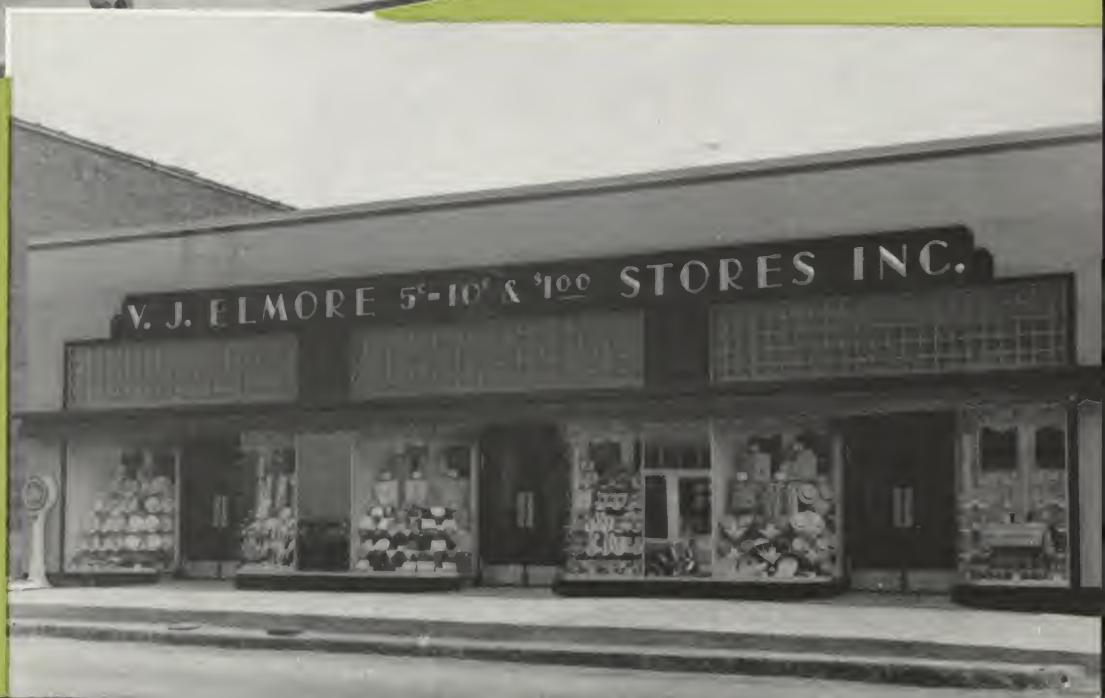
MORE
ORES, INC.

Homewood



Bessemer

Clanton Store Today



CONDENSED STATEMENT OF PROFIT AND LOSS

V. J. ELMORE

5¢-10¢ & \$1.00 STORES, INC.

	<i>Year Ended</i>		<i>Increase Decrease*</i>
	<i>Jan. 31, 1951</i>	<i>Jan. 31, 1950</i>	
Net sales.....	\$6,286,092.82	\$5,406,258.15	\$ 879,834.67
Cost of goods sold.....	3,960,710.82	3,491,172.95	469,537.87
Selling and administrative expenses.....	\$2,325,382.00	\$1,915,085.20	\$ 410,296.80
	1,687,895.14	1,444,367.43	243,527.71
	\$ 637,486.86	\$ 470,717.77	\$ 166,769.09
Other income.....	104,969.41	86,745.19	18,224.22
	\$ 742,456.27	\$ 557,462.96	\$ 184,993.31
	371.47	1,087.35	715.88*
PROFIT BEFORE TAXES ON INCOME	\$ 742,084.80	\$ 556,375.61	\$ 185,709.19

Taxes on income:

Provision for the year—estimated:

Federal normal income tax and surtax.....	\$ 306,000.00	\$ 208,400.00	\$ 97,600.00
Federal excess profits tax.....	46,300.00	-o-	46,300.00
State income taxes.....	12,700.00	10,750.00	1,950.00
Under—over* provision for prior year.....	77.25	148.26*	225.51
TOTAL TAXES ON INCOME	\$ 365,077.25	\$ 219,001.74	\$ 146,075.51
NET PROFIT	\$ 377,007.55	\$ 337,373.87	\$ 39,633.68

Provision for depreciation and amortization included above:

1951—\$56,952.57; 1950—\$56,432.72.

*Indicates red figures.

STATEMENT OF SURPLUS

Balance at February 1, 1950.....

ADDITIONS

Net profit for the year.....

Proceeds from sale of stock in excess of the stated value thereof.....

DEDUCTION

Dividends paid.....

Balance at January 31, 1951.....

	<i>Capital</i>	<i>Earned</i>	<i>Total</i>
Balance at February 1, 1950.....	\$ 13,715.92	\$1,571,151.68	\$1,584,867.60
	-o-	377,007.55	377,007.55
	479.16	-o-	479.16
	\$ 14,195.08	\$1,948,159.23	\$1,962,354.31
	-o-	181,796.25	181,796.25
	\$ 14,195.08	\$1,766,362.98	\$1,780,558.06

NOTE TO FINANCIAL STATEMENTS

NOTE A—At January 31, 1951, there were 1,000 Class "A" warrants authorized to be sold as part of units with first preferred stock and thereafter to be exercised in the purchase of Class "A" common stock. Class "A" warrants issued in units with 7% first preferred stock are to be exercised in the purchase of Class "A" common stock for \$100.00 a share; Class "A" warrants issued in units with 5% preferred stock are to be exercised in the purchase of Class "A" common stock for \$25.00 a share. 814½ warrants have been issued and exercised in the purchase of Class "A" common stock. On August 29, 1942, the Board of Directors authorized a bonus to certain of the Company's employees payable in 5% first preferred stock. 487¼ shares of this stock with a total par value of \$48,725.00 was issued, but the Class "A" warrants which the Articles of Incorporation provide must be issued with each share of preferred stock were not issued, and to date no action has been taken pertaining to the issuance of these warrants.

V. J. ELMORE

5¢-10¢ & \$1⁰⁰ STORES, INC.

SALES 1926 - 1950

Year	Stores At Year End	Sales
1926	1	\$ 32,794
1927	2	\$ 57,881
1928	3	\$ 84,436
1929	5	\$ 140,976
1930	5	\$ 149,669
1931	5	\$ 155,548
1932	6	\$ 175,100
1933	9	\$ 297,601
1934	13	\$ 478,953
1935	20	\$ 659,350
1936	24	\$ 1,010,756
1937	29	\$ 1,095,639
1938	31	\$ 1,241,258
1939	31	\$ 1,411,496
1940	36	\$ 1,499,683
1941	43	\$ 2,198,361
1942	44	\$ 2,739,960
1943	46	\$ 3,512,583
1944	46	\$ 3,468,410
1945	49	\$ 3,788,035
1946	50	\$ 4,439,249
1947	51	\$ 4,495,263
1948	52	\$ 5,357,138
1949	56	\$ 5,406,258
1950	59	\$ 6,286,093



V. J. ELMORE

STORES AND MANAGERS

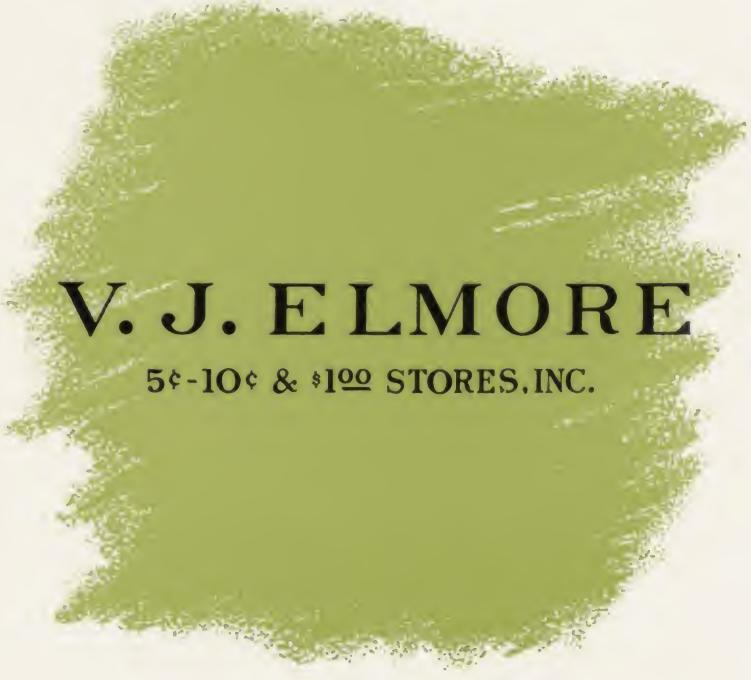
Date Opened	Town	Manager	Date Opened	Town	Manager
1925	Clanton, Ala.	J. C. Parr	1940	Talladega, Ala.	W. T. Camp
1927	Jasper, Ala.	G. R. Dunlap	1940	Monroeville, Ala.	J. F. Wade
1928	Wetumpka, Ala.	R. M. Martin	1940	North Birmingham, Ala.	O. G. Hargett
1929	Haleyville, Ala.	J. D. Northcutt	1940	Aberdeen, Miss.	J. M. Logan
1929	Russellville, Ala.	C. J. Boothe	1940	Amory, Miss.	J. O. Ferrell
1932	Alexander City, Ala.	S. J. King	1941	Guntersville, Ala.	M. H. Bradley
1932	Hartselle, Ala.	P. C. Thomas	1941	Eutaw, Ala.	Jimmie D. Cleere
1932	Athens, Ala.	M. L. Ward	1941	Tuscumbia, Ala.	Mrs. Eunice Wilkerson
1933	Andalusia, Ala.	H. R. Hutson	1941	Sylacauga, Ala.	J. D. Robinson
1934	Tuskegee, Ala.	F. B. Littleton	1941	Scottsboro, Ala.	L. B. Wallace
1934	Marion, Ala.	J. T. Rinehart	1941	Fayette, Ala.	Miss Pauline Shipman
1934	Demopolis, Ala.	J. E. Pullen	1941	Dekatur, Ala.	F. I. Manker
1934	Greenville, Ala.	J. T. King	1942	Fairfield, Ala.	R. H. Wilks
1935	Union Springs, Ala.	J. M. McGill	1943	Ozark, Ala.	W. W. Whittle
1935	Samson, Ala.	C. H. Easley	1943	Ozark, Ala.	Leon Davis
1935	Prattville, Ala.	J. C. Thompson, Jr.	1943	Abbeville, Ala.	Miss Frances Head
1935	Troy, Ala.	F. S. Alsup	1945	Attalla, Ala.	Newell LaFayette
1935	Eufaula, Ala.	O. M. Partain	1945	Carbon Hill, Ala.	Mrs. Edith R. Rutledge
1935	Atmore, Ala.	J. B. Long	1945	Iuka, Miss.	Wm. Murner, Jr.
1935	Bay Minette, Ala.	Mrs. Jessie Lee Coone	1946	Tallassee, Ala.	J. D. Estes
1936	Brundidge, Ala.	Miss Elizabeth Flowers	1947	Homewood, Ala.	H. S. Hayne
1936	Clayton, Ala.	Davis Head	1948	Moulton, Ala.	L. K. Gay
1936	Evergreen, Ala.	J. S. Livengood	1949	Enterprise, Ala.	R. W. Chappell
1936	Brewton, Ala.	C. O. McAlister	1949	Foley, Ala.	Harold D. Rooks
1937	Albertville, Ala.	J. D. Henry	1950	Leeds, Ala.	G. C. Burks
1937	Oneonta, Ala.	O. O. Fowler	1950	Gadsden, Ala.	C. W. Hackett
1937	Greensboro, Ala.	J. W. Plyler	1950	Elba, Ala.	K. P. Morris
1937	Boaz, Ala.	Marlin Brom	1950	Bessemer, Ala.	J. C. Macon
1937	Opp, Ala.	Jasper T. King	1951	Sheffield, Ala.	J. F. Rain
1938	Fort Payne, Ala.	G. R. Rinehart, Jr.	1951	Corinth, Miss.	W. L. Lisenbee
1938	Alabama City, Ala.	H. P. Collins			



Above: Interior view of North Birmingham Store—shows new self service counters.
Below: Center see-through front and modern interior illustrates merchandising progress
in a typical small store—Moulton, Alabama.



The Elmore fleet of trucks provides rapid and dependable distribution throughout the company's service area.



V. J. ELMORE

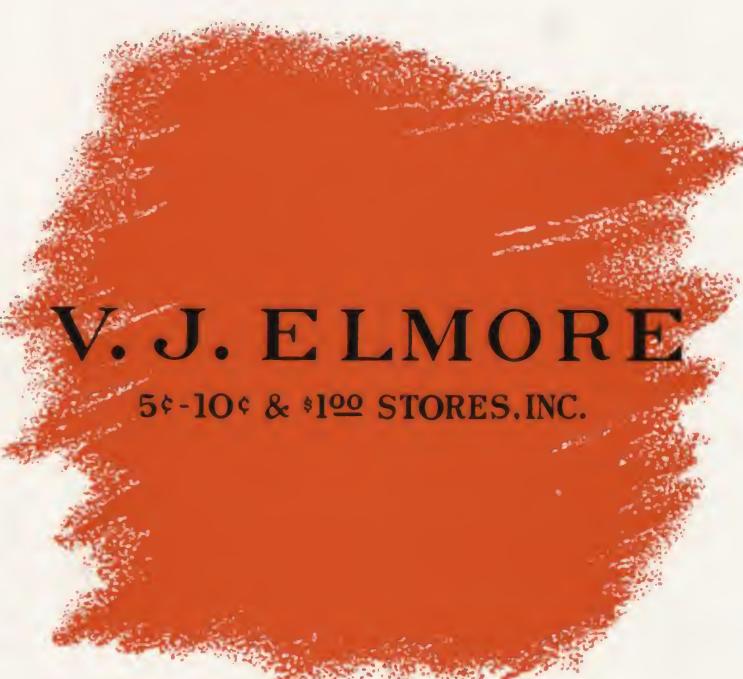
5¢-10¢ & \$1⁰⁰ STORES, INC.

OFFICERS

MRS. V. J. ELMORE *President*
W. F. RAINER *Assistant to the President*
W. I. SMITH *Vice-President and Merchandise Manager*
G. F. PARR *Vice-President, Budgeting*
JOHN W. POWERS, JR. *Vice-President, Real Estate*
W. A. WILLIS, JR. *Secretary and Treasurer*
C. O. HESTER *Assistant Secretary and Buyer*

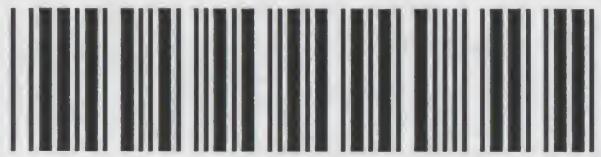
DIRECTORS

<p>MRS. V. J. ELMORE <i>President</i> Birmingham, Alabama</p> <p>G. F. PARR <i>Vice-President, Budgeting</i> Birmingham, Alabama</p> <p>JOHN W. POWERS, JR. <i>Vice-President, Real Estate</i> Birmingham, Alabama</p> <p>W. A. WILLIS, JR. <i>Secretary and Treasurer</i> Birmingham, Alabama</p>	<p>W. F. RAINER <i>Assistant to the President</i> Birmingham, Alabama</p> <p>GRADY REYNOLDS <i>Reynolds & Reynolds, Attorneys</i> Clanton, Alabama</p> <p>W. I. SMITH <i>Vice-President and Merchandise Manager</i> Birmingham, Alabama</p>
--	---



V. J. ELMORE

5¢-10¢ & \$1⁰⁰ STORES, INC.



512957



ANNUAL REPORT TO
STOCKHOLDERS
January 31, 1952

V. J. ELMORE STORES



V. J. ELMORE STORES



ANNUAL REPORT TO STOCKHOLDERS
January 31, 1952

V. J. ELMORE
5¢-10¢ & \$1⁰⁰ STORES, INC. • BIRMINGHAM, ALA.



CLEVELAND PUBLIC LIBRARY
BUSINESS REC. BUR.
CORPORATION FILE

V.J. ELMORE

5¢-10¢ & \$1⁰⁰ STORES, INC.

BIRMINGHAM, ALA.

ANNUAL REPORT TO STOCKHOLDERS..

PRESIDENT'S LETTER..

March 18, 1952

TO THE STOCKHOLDERS:

This is the eighteenth annual meeting of stockholders of your Company. The Company was incorporated in 1935 and these annual meetings are held each year to elect directors who will represent you in managing the company for the ensuing fiscal year. It is customary and appropriate that a report be made to you relative to operations and current conditions of your company.

The Balance Sheet statement of your company at January 31, 1952, and a Condensed Statement of Profit and Loss for the fiscal year ending as of that date are included in the report. These figures are presented in a manner which it is believed will be informative and understood easily by the stockholders.

We can again report increased dollar sales volume over the preceding year. Sales totaled \$7,445,561 and were \$1,159,468 above the preceding fiscal year, or an increase of 18.4%. On a subsequent page there is set forth a chart relative to the sales dollars and how these sales dollars were used. We believe this will prove interesting and a source of information.

The costs of doing business were higher in 1951 as is indicated in the comparative statements of operation. The effect of increased taxes, as well as increased operating expenses, is reflected in the net earnings figure. Dividends have been declared in amount believed to be in keeping with a sound business policy and to permit a reasonable retention of funds for investing in additional stores, improvement of existing stores, and to provide a margin in case of any reverses.

There are now sixty-one stores in operation, two additional units having been located at Sheffield, Alabama and Corinth, Mississippi in 1951. These stores were mentioned in the report to Stockholders under date of March 20, 1951. Activities during the past business year in the way of expansion, other than the addition of these two units, have been directed to the modernization of existing stores and substantial improvement and maintenance work in connection with various stores. It is proposed to follow this policy during the current year. There are two major improvement jobs now in process in connection with stores and four contemplated. There are nine substantial maintenance operations proposed as well as the routine maintenance procedure. The general offices in Birmingham are to be remodeled to provide needed additional office space.

I recognize that the ability and integrity of the personnel make the organization possible. The many activities of each of them contribute to the success of the Company. I wish to thank the Directors and Stockholders for their counsel. It has been a satisfactory year of operation and the cooperative attention and efforts of all those associated with our company has accomplished this. My appreciation is sincere.

With best wishes to each of you, this report is respectfully submitted,

Mrs. V. J. Eemore
President

WHERE OUR SALES DOLLARS COME FROM



HOW OUR SALES DOLLARS WERE USED IN 1951

66.75%

Cost of Goods Sold, and Expenses

19.87%

Salaries and Wages, Employees' Benefits

1.26%

Allowance for Wear, Obsolescence of Fixtures and Equipment, and Repairs

7.80%

Taxes Paid to Federal, State and City Government

1.41%

Dividends Paid to Stockholders for Use of Their Money

2.91%

Earnings Retained in the Business for Expansion and Modernization

**HOME OFFICE and WAREHOUSE BUILDING
10 SOUTH FOURTEENTH STREET
BIRMINGHAM 3, ALABAMA**



Our home office building was completed on March 1, 1941, and with subsequent additions now contains 36,000 square feet of warehouse space on the ground floor. Executive and buying offices are located on the second floor with suites of offices arranged for each department. The entire office area is equipped with year-round air conditioning and fluorescent lighting.

AKRON
ATLANTA
BALTIMORE
BIRMINGHAM
BOSTON
BUFFALO
CANTON
CHICAGO
CINCINNATI
CLEVELAND
COLUMBUS
DALLAS
DAYTON
DETROIT
ERIE
FORT WORTH
GRAND RAPIDS
HOUSTON
INDIANAPOLIS
KALAMAZOO
KANSAS CITY
LOS ANGELES
LOUISVILLE
MEMPHIS
MIAMI
MILWAUKEE
MINNEAPOLIS

ERNST & ERNST
ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

BIRMINGHAM
1314 FIRST NATIONAL BLDG.
DELIVERY ZONE 3

NEW ORLEANS
NEW YORK
PHILADELPHIA
PITTSBURGH
PORTLAND, ME.
PROVIDENCE
READING
RICHMOND
ROCKFORD
ST. LOUIS
SAN ANTONIO
SAN FRANCISCO
SEATTLE
TOLEDO
WASHINGTON
WINSTON-SALEM
YOUNGSTOWN

TORONTO, CANADA
LONDON
CORRESPONDENT AT
CABLE ADDRESS,
"ERNSTAUDIT," N. Y.

Board of Directors
V. J. Elmore 5c, 10c and \$1.00 Stores, Inc.
Birmingham, Alabama

10c and \$1.00 Stores, Inc. We have examined the balance sheet of V. J. Elmore 5c, statements of profit and loss and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except that we did not have representatives present at the time physical inventories were taken at the sixty-one retail stores operated by the Company.

Merchandise inventories on hand at the retail stores and at the warehouse are based upon physical counts which were made under supervision of the management from January 7, 1952, to January 31, 1952, and were adjusted for intervening transactions to January 31, 1952. The store inventories are priced at cost as determined by the retail inventory method, and the warehouse inventory is priced at the lower of cost or market, and the warehouse inventory is priced at the lower of cost or market as determined by the first-in, first-out method of inventory valuation. We were present at the warehouse at appropriate times during the taking of inventories, observed the procedures followed in determining quantities, and made test counts of items appearing in the inventories. We also reviewed the application of the retail inventory method and related computations, and tested the pricing, extensions, and the footings of the inventories.

In our opinion, subject to the limitation of the scope of our examination with respect to inventories as set forth in the first paragraph of this report, the accompanying balance sheet and statements of profit and loss and surplus present fairly the financial position of V. J. Elmore 5c, 10c and \$1.00 Stores, Inc., at January 31, 1952, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

March 6, 1952

Ernst & Ernst

ASSETS

CURRENT ASSETS

Cash:		
Demand deposits	\$815,151.66	
Cash for deposit	8,547.84	
Office and store funds	15,908.98	\$ 839,608.48
Trade accounts receivable	\$ 2,765.28	
Less allowance for doubtful accounts	635.96	2,129.32
Merchandise inventories:		
At stores—at cost as determined by the retail inventory method	\$759,872.76	
In warehouse—at lower of cost (first-in, first-out basis) or market	353,090.50	
In transit—at cost	37,718.35	1,150,681.61
	TOTAL CURRENT ASSETS	\$1,992,419.41

INVESTMENTS AND OTHER ASSETS

United States Treasury Bonds of 1951-53 held in escrow—at cost and interest accrued	\$ 51,781.25	
Investment in other securities—at cost and interest accrued	4,117.16	
Cash surrender value of life insurance	4,925.00	
Advances to employees	772.58	
Miscellaneous accounts receivable	7,153.28	68,749.27

LAND, BUILDINGS, AND EQUIPMENT—at cost

Land	\$ 18,000.00	
Office and warehouse building and paving	\$162,215.10	
Fixtures and equipment	394,988.87	
Automobiles and trucks	57,057.96	
	\$614,261.93	
Less allowances for depreciation	182,136.37	432,125.56
Improvements to leaseholds	\$ 76,689.87	
Less allowance for amortization	29,247.09	47,442.78
Equipment and improvement installations in progress	6,515.73	504,084.07

DEFERRED CHARGES

Unexpired insurance premiums	\$ 60,416.91	
Warehouse inventory of store supplies	6,389.28	66,806.19
		\$2,632,058.94

BALANCE SHEET JANUARY 31, 1952 . . .

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued expenses:		
Trade accounts	\$ 95,298.30	
Salaries and bonuses	56,914.15	
Pay roll taxes and taxes withheld from employees	10,272.43	
Sales and retailers excise taxes	15,745.35	\$ 178,230.23
Federal and state taxes on income—estimated	\$ 512,000.00	
Less United States Treasury Notes—Tax Series "A"— at cost plus interest accrued	500,900.00	11,100.00
TOTAL CURRENT LIABILITIES		\$ 189,330.23

CAPITAL STOCK AND SURPLUS

Capital stock:

First preferred stock, par value \$100.00 a share
(entitled to \$100.00 a share, plus accumulated
dividends upon liquidation):

Authorized 4,000 shares, issued and outstanding:

837 shares of 7% cumulative	\$ 83,700.00
2,227 3/4 shares of 5% cumulative	222,775.00

Common stock, Class "B"—no par value, stated
value \$16 2/3 a share, dividends of \$1.00 a year
cumulative, preferred over other common stock
only as to dividends:

Authorized, issued and outstanding 6,000 shares

100,000.00

Common stock, Class "A"—no par value, stated
value \$16 2/3 a share, 2,500 shares authorized,
125 shares restricted for issue upon exercise of
Class "A" Warrants; issued and outstanding
2,315 3/4 shares—Note A

38,595.83

\$ 445,070.83

Surplus:

Capital surplus	14,699.25
Earned surplus	1,982,958.63

14,699.25

1,982,958.63

2,442,728.71

\$2,632,058.94

See note to balance sheet.

CONDENSED STATEMENT OF PROFIT AND LOSS

V. J. ELMORE

5¢-10¢ & \$100 STORES, INC.

	<i>Year Ended</i>		<i>Increase Decrease*</i>
	<i>Jan. 31, 1952</i>	<i>Jan. 31, 1951</i>	
Net sales	\$7,445,561.61	\$6,286,092.82	\$1,159,468.79
Cost of goods sold	4,751,752.03	3,960,710.82	791,041.21
Selling and administrative expenses	2,693,809.58	2,325,382.00	368,427.58
	1,964,724.39	1,687,895.14	276,829.25
Other income	729,085.19	637,486.86	91,598.33
	95,919.99	104,969.41	9,049.42*
Other deductions	825,005.18	742,456.27	82,548.91
	315.12	371.47	56.35*
PROFIT BEFORE TAXES ON INCOME	\$ 824,690.06	\$ 742,084.80	\$ 82,605.26
Taxes on income:			
Provision for the year—estimated:			
Federal normal income tax and surtax	\$ 416,000.00	\$ 306,000.00	\$ 110,000.00
Federal excess profits tax	85,000.00	46,300.00	38,700.00
State income taxes	11,000.00	12,700.00	1,700.00*
Over*—under provision for prior years	9,245.22*	77.25	9,322.47*
TOTAL TAXES ON INCOME	\$ 502,754.78	\$ 365,077.25	\$ 137,677.53
NET PROFIT	\$ 321,935.28	\$ 377,007.55	\$ 55,072.27*

Provision for depreciation and amortization included above:

1952—\$59,429.97; 1951—\$56,952.57.

*Indicates red figures.

STATEMENT OF SURPLUS

	<i>Capital</i>	<i>Earned</i>	<i>Total</i>
Balance at February 1, 1951	\$ 14,195.08	\$1,766,362.98	\$1,780,558.06
ADDITIONS			
Net profit for the year	—0—	321,935.28	321,935.28
Proceeds from sale of stock in excess of its stated value	504.17	—0—	504.17
DEDUCTION			
Dividends paid	\$ 14,699.25	\$2,088,298.26	\$2,102,997.51
	—0—	105,339.63	105,339.63
Balance at January 31, 1952	\$ 14,699.25	\$1,982,958.63	\$1,997,657.88

NOTE TO BALANCE SHEET

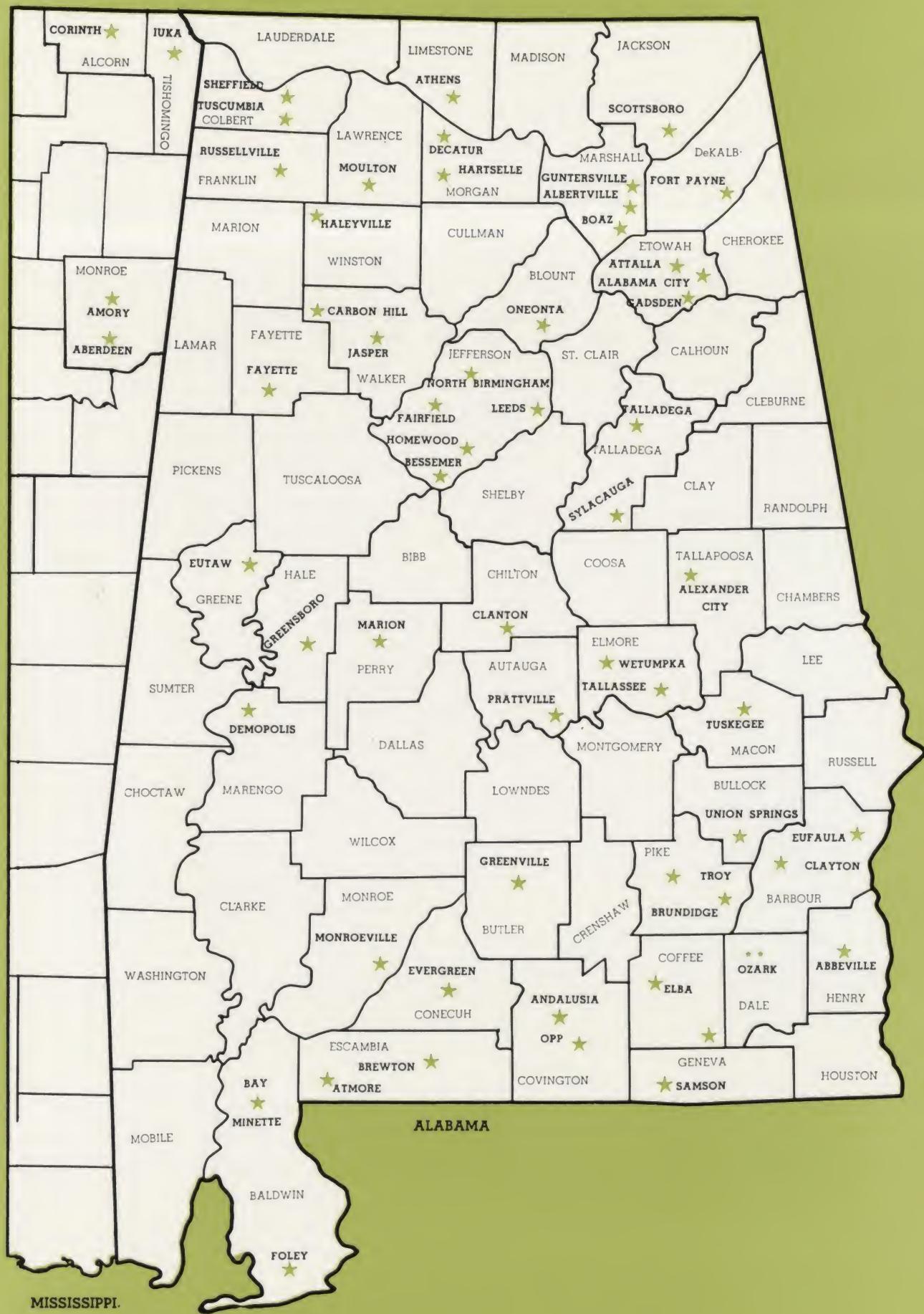
NOTE A—At January 31, 1952, there were 1,000 Class "A" warrants authorized to be sold as part of units with first preferred stock and thereafter to be exercised in the purchase of Class "A" common stock. Class "A" warrants issued in units with 7% first preferred stock are to be exercised in the purchase of Class "A" common stock for \$100.00 a share; Class "A" warrants issued in units with 5% preferred stock are to be exercised in the purchase of Class "A" common stock for \$25.00 a share. 875 warrants have been issued and exercised in the purchase of Class "A" common stock.

V. J. ELMORE

5¢-10¢ & \$1⁰⁰ STORES, INC.

SALES 1926 - 1951

Year	Stores At Year End	Sales
1951	61	\$7,445,561
1950	59	\$6,286,093
1949	56	\$5,406,258
1948	52	\$5,357,138
1947	51	\$4,495,263
1946	50	\$4,439,249
1945	49	\$3,788,035
1944	46	\$3,468,410
1943	46	\$3,512,583
1942	44	\$2,739,960
1941	43	\$2,198,361
1940	36	\$1,499,683
1939	31	\$1,411,496
1938	31	\$1,241,258
1937	29	\$1,095,639
1936	24	\$1,010,756
1935	20	\$659,350
1934	13	\$478,953
1933	9	\$297,601
1932	6	\$175,100
1931	5	\$155,548
1930	5	\$149,669
1929	5	\$140,976
1928	3	\$84,436
1927	2	\$57,881
1926	1	\$32,794



MISSISSIPPI.

ALABAMA

V. J. ELMORE

STORES AND MANAGERS

Date Opened	Town	Manager	Date Opened	Town	Manager
1925	Clanton, Ala.	J. C. Parr	1940	Talladega, Ala.	W. T. Camp
1927	Jasper, Ala.	G. R. Dunlap	1940	Monroeville, Ala.	J. F. Wade
1928	Wetumpka, Ala.	R. M. Martin	1940	North Birmingham, Ala.	O. G. Hargett
1929	Haleyville, Ala.	J. D. Northcutt	1940	Aberdeen, Miss.	J. M. Logan
1929	Russellville, Ala.	C. J. Boothe	1940	Amory, Miss.	J. O. Ferrell
1932	Alexander City, Ala.	J. W. Plyler	1941	Guntersville, Ala.	M. H. Bradley
1932	Hartselle, Ala.	P. C. Thomas	1941	Eutaw, Ala.	Jimmie D. Cleere
1932	Athens, Ala.	M. L. Ward	1941	Tuscumbia, Ala.	Mrs. Eunice Wilkerson
1933	Andalusia, Ala.	H. R. Hutson	1941	Sylacauga, Ala.	J. D. Robinson
1934	Tuskegee, Ala.	F. B. Littleton	1941	Scottsboro, Ala.	L. B. Wallace
1934	Marion, Ala.	J. T. Rinehart	1941	Fayette, Ala.	Miss Pauline Shipman
1934	Demopolis, Ala.	J. E. Pullen	1941	Decatur, Ala.	F. I. Manker
1934	Greenville, Ala.	J. T. King	1942	Fairfield, Ala.	R. H. Wilks
1935	Union Springs, Ala.	J. M. McGill	1943	Ozark, Ala.	M. H. Brom
1935	Samson, Ala.	C. H. Easley	1943	Ozark, Ala.	Leon Davis
1935	Prattville, Ala.	J. C. Thompson, Jr.	1943	Abbeville, Ala.	Miss Frances Head
1935	Troy, Ala.	F. S. Alsup	1945	Attalla, Ala.	Newell LaFayette
1935	Eufaula, Ala.	O. M. Partin	1945	Carbon Hill, Ala.	Mrs. Edith R. Rutledge
1935	Atmore, Ala.	J. B. Long	1945	Iuka, Miss.	Wm. Murner, Jr.
1935	Bay Minette, Ala.	Mrs. Jessie Lee Coone	1946	Tallassee, Ala.	K. P. Morris
1936	Brundidge, Ala.	Miss Elizabeth Flowers	1947	Homewood, Ala.	H. S. Hayne
1936	Clayton, Ala.	Davis Head	1948	Moulton, Ala.	L. K. Gay
1936	Evergreen, Ala.	J. S. Livengood	1949	Enterprise, Ala.	R. W. Chappell
1936	Brewton, Ala.	C. O. McAlister	1949	Foley, Ala.	Harold D. Rooks
1937	Albertville, Ala.	J. D. Henry	1950	Leeds, Ala.	G. C. Burks
1937	Oneonta, Ala.	O. O. Fowler	1950	Gadsden, Ala.	C. W. Hackett
1937	Greensboro, Ala.	S. J. Lawrence	1950	Elba, Ala.	W. G. Baggett
1937	Boaz, Ala.	W. H. Dixon	1950	Bessemer, Ala.	J. C. Macon
1937	Opp, Ala.	Jasper T. King	1951	Sheffield, Ala.	J. F. Rain
1938	Fort Payne, Ala.	G. R. Rinehart, Jr.	1951	Corinth, Miss.	W. L. Lisenbee
1938	Alabama City, Ala.	H. P. Collins			

Officers

MRS. V. J. ELMORE President
W. F. Rainer Assistant to the President
G. F. PARR Vice President, Budgeting
JOHN W. POWERS, JR. Vice President, Real Estate
W. A. WILLIS, JR. Secretary and Treasurer
C. O. HESTER Assistant Secretary and Buyer



Directors

MRS. V. J. ELMORE President Birmingham, Alabama	W. F. RAINER Assistant to the President Birmingham, Alabama
G. F. PARR Vice President, Budgeting Birmingham, Alabama	GRADY REYNOLDS Reynolds & Reynolds, Attorneys Clanton, Alabama
JOHN W. POWERS, JR. Vice President, Real Estate Birmingham, Alabama	W. A. WILLIS, JR. Secretary and Treasurer Birmingham, Alabama





V. J. ELMORE

5¢-10¢ & \$1⁰⁰ STORES, INC.